

South Korea pulls back on plan to ban cryptocurrency trading despite uncovering \$600m in "illegal trades"

"No intention" to ban or "suppress" cryptocurrency market, says finance minister Kim Dong-yeon



Asia has been the epicentre of the 2017-18 cryptocurrency craze

V3 Newsdesk

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South Korea won't be banning cryptocurrency trading after all, the country's finance minister has confirmed, despite claiming to have uncovered "illegal trades" worth around \$600 million.

It follows weeks of speculation - partly adding to cryptocurrency volatility - that South Korea has been drawing up plans to clamp down on cryptocurrencies.

But finance minister Kim Dong-yeon said on Wednesday that the government won't ban Bitcoin and other digital currencies, according to *Reuters*.

South Korea has become a leading market for cryptocurrency trading - a market that has also attracted the attention of North Korean hackers. However, South Korean government officials have slammed the mania for cryptocurrencies as a bubble and suggested a crackdown on trading to bring it under control.

Kim explained that while the South Korean government will continue to regulate cryptocurrencies, "there is no intention to ban or suppress [the] cryptocurrency" market.

Many pundits had expected the country to follow in the footsteps of China, which has cracked down hard on cryptocurrency trading in recent weeks.

The apparent lenience towards the cryptocurrency markets in South Korea is also surprising in view of the claimed discovery of illegal crypto trades to the value of \$600 million.

"Customs service has been closely looking at illegal foreign exchange trading using cryptocurrency as part of the government's task force," said a government official.

Police and tax authorities across Asia have stepped up raids on cryptocurrency exchanges recently following allegations that they were being used to facilitated widespread tax evasion - one of the explanations for their sudden popularity over the past year.

Earlier this month, South Korean justice minister Park Sang-ki said that the government was working on a bill that would effectively halt cryptocurrency trading in "domestic exchanges".

He added: "There are great concerns regarding virtual currencies and [the] justice ministry is basically preparing a bill to ban cryptocurrency trading through exchanges," he said at :

press conference.

Following this announcement South Korean cryptocurrency prices plunged by around 21 per cent.

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